G. R. S. IX-5]

Previous references.
Banking 17-97

1900
~~191~~ .
(Banking)

File No. 8

Serial Nos. 1—2

Later references.
Banking 33-1902

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1 - 2

Part B for January, 1901

SUBJECT.

Report on Inspection of the Agricultural Bank at Attibele, Anekal Taluk.

Indexed
D Subbaiah

W D 68—GPB—50,000—24-7-16

1900-1901 (13)

~~189~~

From The Deputy Commissioner Bangalore District

To The Secretary to the Government of Mysore General and Revenue Departments.

Dated 3rd August 1900.

Despatched 6th ... 1900

Received

General No. 1042

D No. 201

Enclosure No. 2

REVENUE R 676

Sealed to 27th inst. for orders as to whether proceedings as to the proposed may be commenced by the Deputy Commissioner of the Bank

21/8/00
164

Forwards the Inspection memo of the Attibele Agricultural Bank, & Anekal Taluk.

Deputy Commissioner

10/1/01

C. Sri

10/1/01

Read 6 pm

Sealed with draft.

11-1-01.

File pertinent

18/8/00

Secretary for orders

16/8/00

11/8/00.

D. No 201

Enc 2

Bangalore District
Dy. Commissioner's Office
Bangalore 3rd August 1900.

To,

The Secretary
to the Government of Mysore
General and Revenue Department.

Sir,

I have the honor to forward, herewith, the Inspection Memo of the Attibele Agricultural Bank, Anekal Taluk, received from the Inspector of Agricultural Banks.

I have the honor to be.
Sir
Your most obedient servant

[signature]

Dy. Commissioner,
Bangalore District.

Encs

3

No 7

26-7-

The Attock Agricultural Bank.

1. Incorporation & Registered office. — The Bank was incorporated on 20 December 1897 under Certificate No. A certified copy of the Memo. & Articles of Assn. has been furnished to the Bank for record.

The Office of the Bank was being held in a rented room in the ex-President's dwelling house No 50 at Attock, which is registered in the office of the Registrar of Joint Stock Companies. The house was vacated during prevalence of Plague, and as it was further in need of repairs the Board of Directors shifted the office temporarily to the Agent's premises in August 1899, which change has not been registered. The Agent explained that the office would be shifted back to the registered premises on the completion of repairs.

The Bye-laws are hung in a conspicuous part of the Bank house.

2. Villages within the Bank's orbit. — Their number as per Bye-laws of Assoc.n is 33 including Attock. There have been no additions since.

3. Members. — The Sub-joined statement shows the number of members classified according to caste:—

	Brahmins	Rajputs	Vaishyas	Khattris	Aggarwals	Soni	Lingayats	Sadas	Dasnagis	Lohars	Tirkhans	Bhatias	Vaidus	Khojas	Pathans	Mughals	Jats	Remarks
No as per Memo & Arts of Assoc.n	21	8	2	5	2	1	1	1	1	1	1	1	1	1	1	6	62	*Exclusive of 2 who appear jointly with brothers and do not represent separate interests.
No who out of above had ceased to be on the Bank by resignation, removal or death	1																2	& Removed because the heir registered could not register in the security shares
No admitted subsequent to formation of the Bank	9	4	6	18	3	2	3	1	2	2	2	1		1			4	# Exclusive of 3 who appear jointly with 3 others & do not represent separate interests.
No who out of these had ceased to be on the roll by resignation, removal or [illegible]	3	1	1	"	"	"	1	"	"	"	"	"	"	"	"	"	2	* 1 resigned, 2 died.
No at date of inspection, 27 May 1900	26	11	7	6	3	3	2	2	2	2	2	2	1	1	1	6	74	The heir of one of the deceased joined the Bank & took his place.

[illegible] premises & did not let the house & Bank had joined the Bank [illegible] Committee [illegible] notice, duly awarded.

4 Property of Members. — The sub-joined statement shows the extent and value of the property of members: —

	Govt lands						Private lands						Houses	Value fixed by Govt officers	Value fixed by Bank if not fixed by Govt officers	Remarks.
	Dry		Wet		Garden		Dry		Wet		Garden					
	A	S	A	S	A	S	A	S	A	S	A	S		Rs.	Rs.	
1. At formation of Bank as per list sent to Govt	247	4	225	29	51	8	176	25	22	29	22	24	-	59,719	-	* The Directors are stated to have fixed their own valuation when granting loans. Revision made by them has to be tested. Vide Remarks under the head "Limit of Loan to Individual Members" - page 5.
2. Add — property not included in the above, but included in the Register proposed to be opened in the Property Registry	38	8	14	35	3	16	14	28	3	37	2	-	36	-	3750	
3 Add — property of those since admitted	20	4	32	14	1	4	29	17	1	19	-	-	10	-	19,185	
4. Deduct — property of those who had ceased to be on the roll —																
(a) Old members	5	38	3	30	-	-	6	28	3	21	-	-	-	750	-	
(b) New members	44	29	45	39	2	-	8	11	1	19	-	-	1	-	4350	

5. Bank's funds. — The maximum limit prescribed in the Articles of Association is Rs. 45000, and this has not been exceeded.

6. Govt Advances — Rs. 35000 sanctioned in Proceedings No. 4446-19 R744-97 dated 18th [illegible] 1897; Rs. 33850 actually outstanding against the bank on date of inspection (27 May 1900).

The Bank, on admitting new members, seems to have applied for an additional loan of Rs. 35000, but to have been told that there was a large number of prior applications pending consideration. It seems to have tried to meet the requirements of a few of the new members, to some extent, from payments of instalments by old members, deposits and surplus.

The Bank had passed a resolution that repayment of Govt loans should be made from the Govt sanctioned instalments of Rs. 2000, but had paid only Rs. 550 by the end of June 1900 and explained that owing to the failure of crops and the need of extra help to members, it could not pay more. The Bank promises to make annual payments regularly of not less than Rs. 2000 from June 1901 and proposes to divide the balance of the instalments that may be received from members, deposits, on the granting of loans to new members.

Separate communication will be addressed on the subject of the repayment of Govt loans.

7 Deposits. — Rs. 500-14-5 by members, of which Rs. 10 was withdrawn
- 150- - by non-members, of which Rs. 140 was withdrawn

The leading members had as yet not made adequate efforts to encourage deposits from outsiders. They urged that officer efforts

efforts would be of little avail, now do people here all anxious about the season, and promised to do their best when the prospects were brighter.

Bank Transactions. — The following table gives a general view of the bank's transactions up to 27th May 1900 —

Receipts			Expenditure		
Shares			Balance current acc	45	-
Deposits			Deposits	1750	-
Interest on calls	3523	9	Loans to members	42785	-
Loans repaid	7817	8	Interest to Government	2014	9
Entrance fee	42	-	Expenditure	20	13 7
Other items	3	8	Establishment charges	3514	11 8
			Printing charges	15	9 -
			Contingencies	78	12 -
	11387	5		45972	45 -

Bank Balances. — The limit of cash balance prescribed in the Act of 1900 was Rs. 200 but on many days the balance had more than Rs. 200, and on two days exceeded Rs. 23000 — The bank having brought Rs. 23000 in cash in a lump from the Treasury on the 28th January instead of drawing cheques as required — issuing cheques to members. The explanation given is the Taluk Treasury is 7 miles from the Bank House: applications for loans were pending & sums received had at times to be kept in hand to pay interest to Govt. The Registrar and Auditor should have been informed that these reasons were sufficient to justify the violation of an important regulation given by Registrar. The balance at the date mentioned and for some days previously was between Rs. 200 & Rs. 300.

The limit should be exceeded on no account

70. Limit of loans to individual members. — The limit under section 42 of the Act of 1900 is:- 4 times the amount of shares not to exceed Rs. 500 loans under any other class and not to exceed Rs. 2000 loans under all heads including liability as surety not to exceed Rs. 4000. In one instance these limits had been exceeded in the case of Ramaswamiengar the ex-president and his brother Sreenivasiengar who is a surety. They are undivided in interest. They ought to be regarded as representing one member & yet they were granted

granted loans separately as if they were separate members. Ramaswamiengar took two first class loans aggregating Rs. 4000 and Sreenivasengar one of Rs. 2000 total Rs. 6000. They had further obtained 4 class loans and were indebted to others to the extent of Rs. 1000. Thus the limit of 1st class loan and of the total extent of liability had been exceeded. The remedy provided by the Bank namely to raise the limit from a minimum amount of loan grantable to a member and to others on his security from Rs. 4000 to Rs. 6000 was not approved by Govt. (Govt. Order No. 4843-51 dated the 18th January 1899. R.A. 44-97)

The Bank was asked to recover the excess amount borrowed by Ramaswamiengar as required by the order of Government, and the Agent applied on the 4th May 1899 that the extra amount of Rs. 2000 had been repaid by Ramaswamiengar and credited in the Bank's accounts on the 15th April vide Govt. order No. 9265-6 dated 16 June 1899. (Govt. Number, R.A. 44-97) that instead of refund of cash there was a mere paper transaction by the admission of another undivided member of the family as a member of the Bank and the transfer to his name of Rs. 2000 out of the amount standing against Ramaswamiengar's name. The old irregularly had not been permitted to exist in another not participating. When this was explained to the Agent and directors present at the inspection they remarked that there was no other remedy in the matter as Ramaswamiengar had practically paid the arrears of Rs. 6000 to the creditors and produced discharge documents & the bank could not look further into the large outlay to improve the bank, unless recovered from other resources relying on the time at the repayment granted by the Bank and could not therefore afford to repay the large amount in question in a lump sum. They have been asked to place the matter before the General Assembly [illegible] the

7

The Bank had prescribed no limit as regards the amount that might be lent to each minister with reference to the value of his property. It had established that to realise three-fourths was deemed as the limit for some time and that of late two-thirds had been regarded as the limit. Comparing with the valuation reported to Government the loans granted of the members were found to exceed [illegible] of member 2 exceeding even 60 per cent and that of member 3 exceeding 200 per cent. But the Agent explained that the Board of Directors had revised the valuation of the Bank Authorities upon a consideration of the improvements made in some cases and that the loans in some cases taken the additional security of bonds of houses not included in the list submitted to Government. With all this the extent of the liabilities of member 2 & 3 including what was insured as such is found to exceed the [illegible] which can be taken as such loans in annuities [illegible] that the credit of one member should [illegible] the [illegible] But to guard against abuses by [illegible] and their giving occasion to complaints from ignorant and ill-disposed members the Board of Directors would do well to [illegible] the [illegible] of the Governor Assembly and this course has been suggested to them by the Director of the Commission of Valuation by the Bank which is a matter calling for special notice and ought to be carefully considered by the General Assembly. A complete list of the property of members with the valuation adopted by the directors has been [illegible] and on account of the valuation has been tested so far as possible.

Rs. 3,96,7-12-3 Debt for which mortgage obtained

Rs. 9,40,-12-- obtained for discharging debts, namely to redeem bonds from mortgage and Rs. 20,30,-3-6 for paying simple debts. 40 mortgage deeds and 30 simple bonds discharged have been secured by the Bank and kept duly catalogued. The Bank had yet to receive discharged documents to the extent of Rs. 1,58,-8-- [illegible]

Mrs Stuart
be done at

mortgage deeds up to about Rs. 280 and other documents up to about Rs. 1219. The Agent said in July 1899 that delay in the production of these deeds of plaint scrip was due to the fact that he could secure them in the particular districts of the Board of Directors to the omission of the Secretary of the Board of Directors to the omission of the seal of Rs. 5000 gold scrip which had been used for agricultural improvements, but no details have been noted in the Register of Applications. The Agent is asked to collect & note all the applications for loans in the Register of Applications, the number of members applying, the purposes for which the amounts applied for are required, which numbers appear to be suspended owing to non-payment of instalments, which numbers have made default & have had cultivated in these cases & have made default & have had cultivated in these cases & have made default & have had cultivated in these cases &

15. Loans. [illegible] Loans. 14 repaid Rs 230 without renewal.
Renewals were granted as follows:—
for [illegible] 8 cases amounting to Rs. 245
" " 25 " 675
" " 2 " 80
Six members had neither paid the sums due by them (Rs. 185)
nor renewed the loans.

16. Mortgage & other documents executed to the Bank. — 43 mortg.
deeds had been executed, for the aggregate amount of
Rs. 32,825 hypothecating 124.32 ft lands and
4 houses, valued at Rs. 79,861/- They were in the fo
prescribed and registered. In 18 instances the lo
granted to members exceeded 50 percent of the
of property mortgaged.

17. Title deeds. [illegible] secured. The special attention
the Board of Directors has been drawn to the impo
of securing these

18. Meetings of General Assembly. — The first ordinary
meeting of incorporation was held on 22nd
Other ordinary meetings were held as follows: —
on 8th July 1898 confirmed on 22nd July 18
" 31st January 1899 " 13th February
" 5th August 1899 " 18th August 18
" 22nd January 1900 " 7th February
One extraordinary meeting was held on 4th May
All the proceedings of the General Assembly ha
been registered in the office of the Registrar of Joint
Stock Companies, except those of 5th August 1899
which were not confirmed in due form. Notices
given were filed in the Bank office. No meeting
defeated for want of quorum.

19. Registers and other books Kept: — These are —
(1) Register of Members, (2) Minute Book, (3) [illegible]
(4) Ledger, (5) Cheque Book (6) Receipts issued by
(7) Receipts granted by the Bank, (8) Treasury Pass
(9) Chalan, (10) Property Register, (11) Reg. of Affix
(12) Reg. of Bonds, (13) Deposit Ledger (14) Monthly
(15) from & To Reg. 2, (16) Disbursement Reg. & Stock

60

since August 1899 the question
to do this having been pointed
out at the inspection in July 1899

Register of Applications for contingencies
and Renewal transactions

Register of Applications. Purpose for which loans
were required not specified.
Opinions of Directors not recorded
therein

Property Register not kept

Inspection

Inspector

Bank

Inspector of Agricultural Banks.

Submitted to Government through the Deputy Commissioner

Improvements stated to have been made by Members of the Attibele Agricultural Ass.

Ramaswamiengangar. Had repaired his Kodagi tank at Ballur at Rs 1100 odd and built 2 wells in the tank bed both serving as "Salaparige". Had built a well near Ballur and repaired one near Cholkunte. Had prepared two acres for betel plantation at Cholkunte and extended betel plantation at Attibele by planting 500 new pits. Had repaired wells in 2 other gardens at Attibele in views to extend cultivation.

2. Ramaswamaiya - Had recently planted 1800 pits of betel-vine at Attibele, getting a large quantity of earth removed to level as which will make pits deeper ground, and sunk a well in his wet land, all at a cost of about Rs 600.

3. M. Ramanna - Had recently planted 500 pits and prepared 300 pits to be planted after rains. Has improved other lands and repaired wells, altogether at a cost of Rs 250.

4. Appegonda - Had extended garden by about 400 pits, repaired and extended well. Cost about Rs 100 or 150.

5. A. Ramanna - Do. do. by 350 pits and improved well at a cost of Rs 40.

Krishnappa Nalur - Had newly made some plantain and some betel garden.

Sheshappa - Had improved his betel nut garden and plantain garden.

8. Dalappa - Had sunk a well removed earth and planted betel vine. Improved other waste lands.

9. Gopalia - Had planted 500 pits of betel vine.

10. Shanbogue Venkappa - Had sunk a well & grow potatoes.

11. T. Ramaswami aiyangar. Had improved lands. Sunk a new well. grows Sugar Cane.

12. Thimma Reddi of Kambalipur. Had extended betel by about 500 pits. Had extended plantain cultivation also and repaired a well.

13. Patel Sonnia of Medpally - Had added about 800 pits of betel vine.

14. Pillaya - Had newly planted about 400 pits. Also made a new tiglar plantation.

15. Shanbogue Kasipathaya - Had sunk a well at Anekal.

16. Naraniengar - Had sunk a well at the Kalata Cost of Rs 300 and leased lands to Tiglars.

13

(17) Syed Ishamsib. Had improved his mul
berry garden.

(18) Hotteppa - Had newly raised a betel plan-
tation at Mayasandia, about 300 pits.

(19) Soorappa. do — do — about 500 pits.

20) Munsinja do do. about 250 pits

(21) Thimmarayanna (deceased)
his brother's son — do — as about 400 pits.

26/7/1900.

14

(14)

Read.

Letter No 201 of the 3rd August 1900, from the Dy: Comm^r Bangalore submitting a memo from the Inspector of Agricultural Banks on the inspection of the Agricultural Bank at Attibele in the Anekal Taluk.

Order thereon.

Recorded with the following observations:-

(1) The shifting of the bank office from one place to another should be registered, unless the office is shifted back at once to its former building

Banking
R — 20
Q.

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copy 31/1/01

at once

(ii) Inspection made by the Directors of the valuation of the property held as security for the Govt. money should be tested soon by the Auditor.

(iii) A separate report regarding the repayment of Govt loans is awaited.

(IV) The limit of the Cash balance should be exceeded on no account.

11/1/01

To. The Dy: Comm., Bangalore

The Inspector of Agricultural Banks.